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DEPARTMENT OF STATE

Washington, D.C. 20520

January 13, 1981

CONFIDENTIAL
MEMORANDUM

TO: EA - Mike Armacost

FROM: EA/RA/TC - Don Ferguson *DF*

SUBJ: Chinese Downgrade Relations with Dutch

Phillip De Heer, long-time China-Watcher at the Dutch Embassy, called Darryl Johnson this morning to report that the Chinese have asked the Dutch to downgrade their Embassy in Beijing to "Liaison Office" level. The Chinese Foreign Ministry will also request that the Dutch Ambassador leave Beijing, though the request has not yet been issued. De Heer did not have any more detailed information, but we will contact him later in the day to check on any new developments.

All this follows on the heels of yesterday's press commentary in Hong Kong that the Chinese were concerned that the Dutch submarine sale to Taiwan would create an attitude in Europe that "anything goes" with Taiwan.

State Dept. review completed

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GDS 1713/86 (FERGUSON, D.)